

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Kansas City Resident Investigator Office
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February 16, 2007

Mr. Gary Kelly
Business Manager/Financial Sec.
IBEW AFL-CIO
Local 22
8946 L Street
Omaha, Nebraska 68127-1406

Re: Case Number: [REDACTED]

Dear Mr. Kelly:

This office has recently completed an audit of IBEW Local 22 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with you on February 14, 2007, the following problems were disclosed during the CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

Reporting Violations

The CAP disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report (Form LM-2) filed by Local 22 for fiscal year ending December 31, 2005 was deficient in that it reported dues receipts from per capita tax payments on Statement B, Item 37 (\$287,556). Since Local 22 is not an intermediate body or a parent body, all of its dues receipts are from members. Local 22's dues receipts must be reported on Statement B, Item 36.

Since you have agreed to correct this deficiency on the LM-2 report for fiscal year ending December 31, 2006, and on future LM report filings, I am not requiring that Local 22 file an amended LM report for 2005.

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Bonding

The CAP disclosed a violation of LMRDA Section 502, which requires that union officers and employees be bonded for no less than 10 percent of the total funds handled by those individuals or by their predecessors during the preceding fiscal year. In no case is the bonding coverage to be more than \$500,000. Local 22's officers and employees are currently bonded for \$400,000, but they must be bonded for the maximum amount of \$500,000. Local 22 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of adequate bonding coverage to this office as soon as it has been obtained, but no later than March 5, 2007.

I want to extend my personal appreciation to IBEW Local 22 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

[REDACTED]

Investigator

cc: Sheldon Sadofsky, President